IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

COMPANY PETITION NO. 9 OF 2007

Vidarbha Paper Mills Limited.

Office Notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's orders

CORAM : B.P. DHARMADHIKARI, J.
DECEMBER 18, 2007.

The matter is today for hearing i.e. for consideration of the application under Section 391 to 394 of the Companies Act, 1956, moved by the applicant Vidarbha Paper Mills Limited for amalgamation with Sihora Paper Mills Limited and Sundaram Multi Pap Limited.

Sihora Paper Mills Limited has also filed similar application. The Transferee Company Sundaram Multi Pap Limited has got its head office at Mumbai i.e. within jurisdiction of Principal Bench and a certified copy of order dated 2.11.2007 passed by Company Judge in Company Petition No.695 of 2007 connected with Company Application No.687 of 2007 has been produced before me today (xerox copy of the order is placed on record) to point out that amalgamation and transfer is already accepted by Principal Bench. The public notice for hearing of these applications was published by respective applicants on

19.9.2007 in Indian Express as also in Marathi Newspaper “Lokmat”. The hearing date communicated was 5.10.2007. Accordingly it was listed on 5.10.2007 thereafter from time to time on various dates. There are no objections filed opposing this Scheme.

In response to Notice under Section 394-A of the Act served upon them, the Regional Director of Companies and also Official Liquidator have appeared. The Regional Director as also Official Liquidator have filed affidavit pointing out that the Scheme is not detrimental to the interest of shareholders and the Creditors.

Accordingly, prayers made in Company Petition No. 9 of 2007 are granted. Therefore, I proceed to pass the following order :

The above petition coming for hearing on 18.12.2007 and upon reading the said petition, the order dated 22.06.2007 whereby the petitioner company was ordered to convene separate meetings of the equity shareholders, 2% Non-Cumulative Preference Shareholders, secured creditors and of the unsecured creditors of the company for the purpose of considering, and if it thought fit, approving, with or without modification, the scheme of amalgamation of the petitioner company and SIHORA PAPER MILLS

LIMITED with SUNDARAM MULTI PAP LIMITED and annexed to the affidavit of Shri Suresh Kumar Sharma, filed the 20th day of June, 2007, and The Indian Express, Lokmat (Marathi) dated 10.07.2007 each containing the advertisement of the said notice convening the said meetings, directed to be held by the said order dated 22.06.2007, the affidavit of the Chairman Shri Suresh Kumar Sharma, showing the publication and despatch of the notices convening the meetings, the reports of the Chairman Shri Suresh Kumar Sharma of the said meetings respectively dated 10.08.2007 as to the result of the said meetings and upon hearing Shri Sunil V. Manohar, Advocate for the petitioner company and it appearing that from the reports that the proposed scheme of amalgamation has been approved unanimously by the equity shareholders, 2% Non Cumulative Preference Shareholders, secured creditors and of the unsecured creditors of the company in the meetings in person or by proxy.

This Court doth hereby sanction the scheme of amalgamation annexed hereto as the schedule, and doth hereby declare the same to be binding on the equity shareholders, 2% Non Cumulative Preference Shareholders, secured creditors and of the unsecured creditors of the company of the petitioner company.

AND this Court doth further order :-

(a) That the said Arrangement embodied in the Scheme of Amalgamation (being Exhibit “G” to the Petition) be sanctioned by this Hon'ble Court with or without modification and declare the same to be binding on the Petitioner Company, the Second Transferor Company and the Transferee Company and also their respective members/ shareholders and Creditors.

(b) That with effect from the opening of business as on the Appointed Date, the Undertaking of the Petitioner Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act.

(c) That with effect from the Appointed Date, all the said Liabilities of the Petitioner Company and debit balances of profit and loss account shall, without any further act or deed, be and stand transferred to the Transferee Company pursuant to the applicable

provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company.

(d) That subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Petitioner Company are a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Petitioner Company, the Transferee Company had been a party thereto.

(e) That all the staff, workmen and other employees if any in the service of the Petitioner Company immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that and their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking and the terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those

applicable to them immediately before the transfer.

(f) That upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking of the Petitioner Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 74,26,857 (Seventy four lakh twenty six thousand eight hundred and fifty seven only) Number of Equity Shares of Rs.1/- (Rs. One) each, credited as fully paid-up in the capital of Transferee Company to all equity shareholders of the Petitioner Company whose names appear in the Register of Members, on a date to be fixed by the Board of Transferee Company, for every 6.665 share of the Petitioner Company, one Share of Transferee Company's Equity Shares of the face value of Rs.1/- each held by the eligible Shareholders of the Petitioner Company and without any further application or deed, issue and allot 2,20,81,320 (Two crores twenty lakhs eighty one thousand three hundred and twenty only) Number of Equity Shares of Rs.1/- (Rs. One) each, credited as fully paid-up in the capital of Transferee Company to all 2% Preference Share Holders of the Petitioner Company whose names appear in the

Register of Members, on a date to be fixed by the Board of Transferee Company in proportion to the respective shareholding of preference shareholders, of the Petitioner Company.

(g) That on the Scheme becoming effective, the Petitioner Company shall be dissolved without being wound up.

(h) The Registrar of Companies, Maharashtra, Mumbai, be directed to consolidate all files, documents, records – relating to the Petitioner Company maintained by him with the files, documents, and records of the Transferee Company AND

That the parties to the scheme of arrangement and reorganization or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the scheme of arrangement and reorganization, AND

That the petitioner company do file with the Registrar of Companies a certified copy of this order within 30 days from this date.

SCHEDULE

Scheme of arrangement and reorganization as sanctioned by the Court,

Dated this 18th day of December, 2007.

JUDGE

*GS.